COMMONWEALTH OF VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL VIRGINIA ALCOHOLIC BEVERAGE CONTROL COMMISSION RICHMOND

March 19, 1987

CIRCULAR LETTER 87-2

TO: ALL IMPORTERS, WINERIES, BREWERIES AND BOTTLERS

SUBJECT: SPIRITS, WINE AND BEER REFUND COUPONS - VR125-0I-2 9..A.

<u>PURPOSE</u>: The purpose of this Circular is to clarify the new provisions of VR125—0I—2 Section 9.A., which sets forth the maximum value that may be assigned to refund coupons.

BACKGROUND: Prior to November 12, 1986, the maximum value of refund coupons was not specified in the applicable regulation.

<u>HELD</u>: Section 9.A. of VR125-01-2, as amended, allows manufacturers of spirits, wine and beer to use refund coupons. The coupons may not exceed 50% of the "normal retail price." The "normal retail price" is defined as the average retail price in a given market, arid not reduced or discounted retail price. For example, if a product's usual retail price is \$5.00 with a two week promotion of \$4.00, then a \$2.50 coupon could be utilized for the product.

INQUIRIES: Inquiries concerning the above should be addressed to Robert N. Swinson, Secretary's Office, P. 0. Box 27491, Richmond, Virginia 23261, (804) 257-0617.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL BOARD

Robert N. Swinson Acting Secretary